

**Department of Legislative Services**  
 Maryland General Assembly  
 2017 Session

**FISCAL AND POLICY NOTE**  
**Third Reader - Revised**

Senate Bill 515  
 Finance

(Senator Peters, *et al.*)

Appropriations

**Collective Bargaining - Firefighters - Martin State Airport**

This bill expands the application of specified collective bargaining provisions to firefighters for the Martin State Airport at or below the rank of captain who are employed by the Military Department.

The bill takes effect July 1, 2017.

**Fiscal Summary**

**State Effect:** General fund expenditures increase by \$51,800 in FY 2018 for a human resource officer within the Military Department to handle the collective bargaining process. This estimate does not include any increase in expenditures related to the terms of a collective bargaining agreement. Out-year expenditures reflect salary increases and the elimination of one-time start-up costs. Revenues are not affected.

(in dollars)	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	51,800	48,900	51,500	54,200	57,100
Net Effect	(\$51,800)	(\$48,900)	(\$51,500)	(\$54,200)	(\$57,100)

*Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease*

**Local Effect:** None.

**Small Business Effect:** None.

## Analysis

**Current Law:** Chapter 298 of 1999 established statutory collective bargaining rights for approximately 40,000 State employees; previously, collective bargaining was initiated under a 1996 executive order. Except as otherwise specified, the collective bargaining law currently applies to all employees of the:

- principal departments within the Executive Branch;
- Maryland Insurance Administration;
- State Department of Assessments and Taxation;
- State Lottery and Gaming Control Agency;
- Office of the Comptroller;
- State Retirement Agency;
- Maryland State Department of Education;
- University System of Maryland (USM), Morgan State University (MSU), St. Mary's College of Maryland (SMCM), and Baltimore City Community College (BCCC), except as specified; and
- Maryland Transportation Authority employees and police officers who are at the rank of first sergeant and below.

The following personnel are not included:

- Maryland Transit Administration employees;
- Legislative and Judicial Branch personnel;
- elected and appointed officials;
- the Governor's and Lieutenant Governor's staff;
- an employee assigned to, or with access to records of, the State Labor Relations Board;
- special appointees and executive service personnel in the State Personnel Management System (SPMS);
- senior administrators, faculty members, student employees, and other designated employees of USM, MSU, SMCM, or BCCC;
- the chief, deputy, or assistant administrator of a unit with an independent personnel system;
- temporary or contractual employees in SPMS;
- an employee who is entitled to participate in collective bargaining under another law;

- an employee whose participation in a labor organization is contrary to the State's ethics laws; and
- any supervisory, managerial, or confidential employee as defined by regulation.

Parties to the collective bargaining process must make every reasonable effort to conclude their negotiations by January 1 for any item requiring appropriation for the fiscal year that begins the following July 1. If the parties do not conclude negotiations for the next fiscal year before October 25, either party may request that a neutral fact finder be employed to resolve the issues. By November 20, the fact finder must make written recommendations regarding wages, hours, and working conditions and any other terms or conditions of employment that may be in dispute. Those recommendations must be delivered to the specified parties by December 1, but they are not binding. The outcome of collective bargaining must be incorporated into a memorandum of understanding.

The State Labor Relations Board is responsible for administering and enforcing provisions relating to collective bargaining for specified employees, and the board may not designate a unique bargaining unit for specified units of government.

**State Expenditures:** There are 29 firefighter positions that are eligible to participate in collective bargaining under the bill, of which 24 are currently filled. The Maryland Military Department advises that it has no employees who participate in collective bargaining, so its human resource staff has no expertise in managing the collective bargaining process. The bill specifies that the affected Martin State Airport firefighters will be added to an existing bargaining unit, so the Department of Budget and Management will handle all collective bargaining negotiations on behalf of the Military Department.

Therefore, the Military Department requires a human resource officer to assist in investigating employee grievances, overseeing appeals, and assisting with collective bargaining related to the 29 firefighter positions. Under a federal/State cooperative agreement, firefighters employed at the Maryland Military Department are 100% federally funded. The agreement has specific eligibility criteria and funding limitations, one of which prohibits federal reimbursement for costs incurred by, or associated with, the process of collective bargaining. Thus, general funds are necessary to hire the human resource officer.

Assuming the Martin State Airport firefighters elect to be included in collective bargaining, general fund expenditures increase by \$51,830 in fiscal 2018, which assumes the individual is hired as of the bill's July 1, 2017 effective date. This estimate reflects the cost of hiring one part-time human resource officer to assist with collective bargaining for Martin State Airport firefighters. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Position	0.5
Salary and Fringe Benefits	\$46,877
One-time Start-up Costs	4,640
Operating Expenses	<u>313</u>
<b>Total FY 2018 State Expenditures</b>	<b>\$51,830</b>

Future year expenditures reflect a full salary with annual increases and employee turnover and ongoing operating expenses.

Because the bill authorizes these firefighters to bargain collectively over the terms and conditions of employment, the Maryland Military Department may incur additional expenditures in future years depending on future collective bargaining agreements, if any. These expenditures cannot be reliably estimated and depend on the wage and benefit packages that are developed for these employees if they choose to be represented by an exclusive representative.

### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Budget and Management; Maryland Department of Transportation; Military Department; Department of Legislative Services

**Fiscal Note History:** First Reader - February 20, 2017  
mm/mcr Third Reader - March 21, 2017  
Revised - Amendment(s) - March 21, 2017

Analysis by: Heather N. Ruby

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510